

Extract from the minutes of the Cabinet meeting of 19 December 2023

814. Local Council Tax Support Scheme 2024-25

The Head of Operational Finance submitted a report a copy of which had been circulated to each Member.

Councillor T. Young attended and with the consent of the Chair addressed Cabinet to express his support for the changes made to the scheme and in the move to a banded system. However, concern was expressed about the two child limit and that families of three or more children would not receive additional support. The Child Poverty Action Group had highlighted the impact this would have on larger families. Such a policy was regressive, discriminatory and would accentuate the impacts of the cost of living crisis on large families. This was contrary to national Liberal Democrat policy and should be reconsidered.

Councillor Cory, Portfolio Holder for Resources, and Samantha Preston, Head of Operational Finance, responded and explained that the policy was designed to be consistent with national rules set by government around Universal Credit. In addition, the scheme disregarded child benefit for existing claimants. The Council had an excellent record of supporting families and would look at how new families joining the scheme and were subject to the cap could be supported further. The scheme had been extensively modelled and was designed to be cost neutral.

A banded scheme would be simpler and more efficient to administer and would be more straightforward for recipients. Transitional arrangements would be put in place to protect families and to ensure no one lost out as they moved to the new system. It was suggested that as the scheme would be reviewed in a year's time this issue could be examined at that point.

Cabinet considered that the scheme should be adopted subject to further examination of the two child limit.

RESOLVED that a 'banded' Local Council Tax Support scheme be adopted for 2024/25 subject to further consideration of the two child limit.

RECOMMENDED TO COUNCIL that the Local Council Tax Support scheme 2024/25 be approved and adopted.

REASONS

The process of Universal Credit Managed Migration is now underway from July 2023 in East Anglia. This means more people will be moving over to Universal Credit from 2024/25 so it is vital processes are put in place to try and simplify Council Tax payments

for the most vulnerable residents.

Some key benefits of adopting a 'banded' LCTS scheme include, but are not limited to:

- Improved Council Tax recovery;
- Quicker decision(s) for our customers;
- Fewer bills sent to customers;
- Back-office admin savings;
- Cost neutral – overall level of support remains the same (£9.31m);
- Reallocating of resource to other areas to maximise savings and concentrate on generating revenue;
- Improved customer journey – simple application form, digitalisation;
- Improves possibilities for shared working;
- Reduced customer contact;
- Protection for those customers who will be worse off.

ALTERNATIVE OPTIONS

That no changes are made to the LCTS scheme for 2024/25.

The draft Local Council Tax Support Scheme 2024-25 is attached.